UNITED NATIONS

ECONOMIC

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SOCIAL COUNCIL

NATIONS UNIES

CONSEIL

ET SOCIAL

ECONOMIQUE

UNRESTRICTED

E/AC.6/SR.50 14 July 1949

Dual Distribution

ECONOMIC AND SOCIAL COUNCIL

Ninth Session

ECONOMIC COMMITTEE

SUMMARY RECORD OF THE FIFTLETH MEETING

Held at the Palais des Nations, Geneva, on Thursday, 7 July, 1949, at 10.30 a.m.

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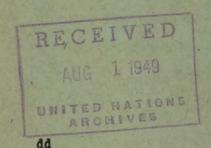
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Present

CHAIRMAN :	Mr. SANTA CRUZ
Australia	Mr. PLIMSOLL
Belgium	Mr. HUYBRECHTS
Brasil	Mr. de OLIVEIRA CAMPOS
Byelorussian SSR	Mr. ASTAFONKO
Chile	Mr. SCHNAKE
China	Mr. TSAO
Denmark	Mr. DAHLGAARD
France	Mr. BORIS
India	Mr. ADARKAR
Lebanon	Mr. HAKIM
New Zealdnd	Miss HAMPTON
Poland	Mr. RUDZINSKI
Turkey	Mr. SARPER
Union of Soviet Socialist Republics	Mr. MOROZÓV
United Kingdom	Mr. CORLEY SMITH
United States of America	Mr. STINEBOWER
Veneguela	Mr. GONZALEZ-GORRONDONA

Representatives of Specialised Agencies:

International Labour Organisation	1000	EVANS SOTO
Food and Agriculture Organisation	Mr.	McDOUGALL
United Nations Educational, Scientific and Cultural Organisation	Mr.	TERENZIO
International Civil Aviation Organization	Mr.	MARLIN

Secretariat:

Mr.	WEINTRAUB	Director,	Department of	Economic Affairs
Mr.	LUKAC	Director,	Transport and	Communications Division
Mr.	DUMONTET	Secretary	to the Committ	tee

 CONSIDERATION OF LEASURES TO INCREASE AVAILABILITY OF FOOD (Item 10 of the Council Agenda) (Documents E/1339, E/AC.6/W.40, E/AC.6/34 and E/AC.6/35) (continued)

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Re-opening the discussion, the CHAIRMAN drew the Committee's attention to the Statement on the World Food Situation by the Council of the Food and Agriculture Organization (Document E/AC.6/34) and to the "Statement on Measures to increase Availability of Food" (Document E/AC.6/35) by the representative of the Food and Agriculture Organization.

Mr. ADARKAR (India) said his delegation was vitally interested in the question of food availability which had been frequently discussed in the General Assembly, in the Food and Agriculture Organization, in the Council and also in the Regional Commissions. No concrete results had so far been achieved, if he might say so, in the interests of the hungry millions of the world, and especially those of Asia. Food surpluses were developing in some parts of the world, while high prices obtained everywhere, resulting in adversity and destitution, particularly in the food-importing countries whose balances of payments had been seriously upset with consequent retardation of economic development. Those countries were taking whatever measures they could. India, for example, was striving to attain self-sufficiency and had decided to import no food-grains from abroad after 1951, except in case of dire necessity. To that end the India Government planned to increase foodgrain production by four to five million tons by the end of 1951. Increased production was being sought by improved methods of cultivation in irrigated areas or in those with an assured rainfall. India had also approached the Food and Agriculture Organization for the provision of consultants and assistance in the manufacture of improved vaccines for cattle.

The Indian delegation believed the present food production and distribution policies of certain countries to be shortsighted, and likely

to create political and economic difficulties for themselves and other countries. With regard to food "surpluses", those were no new phenomenon. In the days of laisses faire such "surpluses" had become available to importing countries through reduction of prices. And there were no real surpluses in the world to-day. There could be no problem of surpluses when the world's needs as a whole were considered. So long as famine, destitution and malnutrition prevailed in some areas, it was callous to talk of surpluses in others. Local surpluses might lead to decreased production by affecting local prices, but that difficulty could be avoided by making the so-called surpluses available at concession rates to areas in which malnutrition and famine prevailed. The net loss to producing countries would be less than the latter imagined, because, arithmetically speaking, they must compare lower production multiplied. by high prices, with higher production multiplied by lower prices. It was the moral duty of those producing countries which were fortunate enough to have wast tracts of land occupied by small populations to make the fruits of that land available to the denisens of the more thickly populated countries, instead of restricting production or destroying or wasting food surpluses. A catastrophic drop in prices or a stampede. in the world's grain markets need not result from the unloading of surpluses if orderly development were organized through international agreements. The International Wheat Agreement, though abortive, had been a step in that direction. The Council should express its view emphatically on that question.

The Indian delegation was largely in agreement with the United States draft resolution, but thought something more than a mere endorsement of the Food and Agriculture Organization's report was required. He might remind the Committee that at the last session the Council had requested the Food and Agriculture Organization and other specialized agencies, in

co-operation with the Secretary-General, to undortake those studies so that the Council might consider recommendations for action. It would therefore appear that the Council had something more in mind than a mere "taking note" of the Food and Agriculture Organization's report. As the United States representative had said, the nature of the problems had changed, and certain sections of the world population were now somewhat better fed than before. But, generally speaking, the severity of the food problem remained unchanged. He would venture to quote a passage from the Statement on World Food Situation prepared by the Food and Agriculture Organization (Document E/AG.6/34):

"The significant facts are therefore that notwithstanding continued high production of food in some countries, especially in North America, and steady improvement in Western Europe, millions are still underfed, so that the average consumption throughout the world has still not yet achieved the pre-war level. Less than 10% of the world's food production is exchanged between country and country, representing only threequarters of the volume exchanged before the war. Of this, North America is responsible for a largely increased share, with the result that variations in output in that area have now a greater effect on supplies and prices in the producing countries and entail more serious consequences for consumers elsewhere than would be the case if the volume of international trade was greater and more widely distributed between suppliers throughout the world."

Since the main problem was therefore maldistribution of the world's food supplies, which had caused stagnation and glut over large areas and starvation and misery in others, his delegation formally proposed that the United States draft resolution be amended by the addition of the following paragraph:

"CALLS UPO: the principal food-producing countries to enter into appropriate international arrangements to facilitate the economical disposal of surpluses and to avoid restrictionism in their future production of food grains."

The CHAIRMAN observed that the United States representative had agreed at the previous meeting to the deletion of the final paragraph from the United States draft resolution (Document E/AC.6/W.40). AC.6/SR.50 age 6

In reply to a request for clarification by Mr. ADARKAR (India), Mr. STINEBOWER (United States of America) agreed that he had in fact withdrawn the final paragraph.

Mr. PLIMSOLL (Australia) said the Indian amendment merited serious attention. He was in broad agreement with the Indian representative's emphasis on the duties of the great food-producing countries, though he thought the Indian amendment might also have mentioned the reciprocal obligations of the importing countries. The latter must to some extent provide a guaranteed market by, for example, promising to accept a minimum amount of imports. The wording of the proposed amendment was very important, and he thought discussion should not be closed until delegations had the ameniment before them and had had time to give it close consideration.

Mr. MOROZOV (Union of Sovie Socialist Republics) said that increased production, which was vital to increased availability of food, was essential if the world food situation was to be improved. It was all the more necessary to stress that fact because production was below standard in certain countries. But the Food and Agriculture Organization, instead of dealing with that problem, appeared to be concentrating its attention on maintaining price levels and preserving the privileges of the food monopolies. The small farms which played a vital part in foud production in many countries received no help from the Food and Agriculture Organization. At the previous meeting the representative of that Organization had mentioned increased production as one of the problems in the world food situati n; but the Food and Agriculture Organization was giving less attention to increased production than to the question of keeping up prices, as was demonstrated by recent decisions and resolutions of that body. Furthermore, reports of the United Nations Secretariat showed that African natives, for example, were still farming with implements so primitive that they could not possibly increase their production unless they

were granted credits to enable them to obtain modern equipment, seeds and fertilisers. Similar help was required by small farmers in other countries.

His delegation disagreed with the French representative who thought the Ford and Agriculture Organization had done its best. On the contrary, it had signally failed to give adequate attention to the problem of increasing production.

With regard to the United States draft resolution and to the Indian amendment thereto he reserved the right to state his delegation's views at a later stage.

Mr. de OLIVEIRA CAMPOS (Brazil) said the Indian amendment merited careful consideration, but he thought some clarification of its precise implications was necessary, in particular, of the meaning of the words "international arrangements". If they meant bilateral agroements, he would ask whether those would be based on economic concepts. If, on the other hand, multilateral agreements were meant, that would raise once more the question of inter-governmental commodity agreements which had already formed the subject of protracted discussions at Havana.

There was no doubt that a conflict existed, whether between different countries or within one and the same country, concerning food imports and food exports. That problem arose in Brazil and, while it might be more apparent than real, it nevertheless required settlement.

Without questioning either the intention or the nobility of the Indian amendment, he thought that any attempt to discuss general international prangements in the Council would only create difficulties, and that intries should be advised to conform with the terms of Chapter VI of the ona Charter. It was of course possible that the Indian proposal aimed arily at the expansion of markets by an agreed system of price issions, which opened up an entirely new field for discussion. He i ask the Indian representative for some clarification of his amendment. 2/40.6/01.50 page 8

Mr. SCHNAKE (Chile) said his delegation was ready to support the United States draft resolution because it was convinced that the Food and Agriculture Organization had already done excellent work and that its future efforts would produce the best solution for world food problems; The criticism that it had done nothing practical was justified only in the sense that it had not concerned itself with the effective implementation of measures adopted. But its main achievements lay in the real of coordination. Speaking for Latin American countries, where the value of the Organization was understood, particularly since its measures to combat food shortage had been made known at the last session of the Economic Commission for Latin Amorica, he could say that no other organization had done more for world solidarity since the war. The countries of Latin Amorica wore grateful for the technical assistance provided by the Food and Agriculture Organization. Of course, its work was still evolving. As the French representative had stated, its mandate was based on the world food shortage and the need to end food wastage. But it was now clear that those problems must be considered concurrently with the vast general problem of the world food situation and that the Organization was ...w concerned with future developments of the world's agriculture, and foresaw the need to plan agricultural development on a world basis. On that basis the Food and Agriculture Organization was co-operating effectively by the introduction of a uniform standard in the various countries as a preliminary step towards the future devolopment of agriculture throughout the world.

He disagreed with the USSR representative's view, because Latin American countries had first-hand experience of the Food and Agriculture Organization's practical concern with food problems. Those problems were complex, involving as they did the general question of agricultural development in each country, transport, shortage, the safeguarding of agricultural production against retrogression due to lack of transport and He agreed that the Organization's concern with prices was natural and necessary. Farmers and small-holders could only be encouraged to produce by guarantees of a fair return for their labour. The Council should therefore pay particular attention to the question of stable prices in the world market together with the long-term question of supplies.

In conclusion, his delegation would support the United States draft resolution because, while the food and Agriculture Organization had not yet succeeded in feeding the whole world, it had assisted development, particularly in new countries such as those of Latin America. As for the Indian amendment, he agreed with the Brazilian representative's observation that its scope should be clearly defined.

Mr. RUDZINSKI (Poland), pointing out that the discussion was ontering a vory wide field, agreed with the French representative's statement at the previous meeting that technical wastage and production were closely linked with the problem of food availabilities. But these were not the only problems involved. He also agreed with the French representative that such problems could not be discussed or solved in the Council. As he had stated at the provious meeting, he would offer no criticism of the Food and Agriculture Organization's report. He would merely suggest that discussion should be terminated as soon as possible and the many problems raised, for example, the question of the multilateral agreements mentioned in the Indian amendment, should be dealt with at a later stage, for example during consideration of Item 36 of the Agenda, when the annual report of the Food and Agriculture Organization would be discussed.

The Polish delegation was ready to devote serious study to the Indian amendment, which was of considerable importance to both producer and consumer countries.

In conclusion, he wished to suggest that discussion be concluded and

Mr. CORLEY SMITH (United Kingdom) agreed with the Polish representative that the present discussion was somewhat premature and would take the Committee too far afield. The Committee could hardly embark on a discussion of the International Wheat Agreement and international commodity arrangements. He requested the Indian representative to withdraw his amendment and to move it at a later stage.

Mr. ADARKAR (India) said he was not cloar as to how his amendment could be raised under Item 36 of the agenda, which dealt with the Food and Agriculture Organization's report. Furthermore, he feared that if it were raised under that item it might be confused with purely administrative matters. Therefore, while he realized that the form of his amendment was not the only one in which it could be made, he as not prepared to withdraw it. If the Council had no recommondations to make to the Goneral Assembly the question could be laft to the Food and Agriculture Organization. But he maintained that the Committee should make such a recommendation as was envisaged in his amendment.

The CHAIRMAN suggested that the Indian representative should move his amendment as a separate resolution, still under Item 10 of the agenda, which would meet the wishes of all concerned, and he consequently proposed that the Committee consider first, the United States resolution and subsequently the Indian proposal.

Mr. HAKIM (Lebanon), agreeing with the Chairman's observation, said the Committee was dealing with the general problem of the availability of food, and that if the Indian representative wished to make a proposal on that subject he could move his present proposal either in its original or in an expanded form.

Mr. ADAKAR (India) was ready to consider the suggestions made. The CHAIRMAN proposed that the general discussion be closed and consideration given to the United States resolution (Document E/AC.6/W.40). Mr. RUDZINSKI (Poland) formally moved the deletion of the second paragraph from the draft resolution.

Mr. MOROZOV (Union of Soviet Socialist Republics) supported the Polish amendment to the United States draft resolution on the grounds that the reference in the second paragraph to the problem of food spoilage and wastage by no means exhausted that important and urgent problem.

Mr. STINEBOWER (United States of America) said that he would withdraw the second paragraph of his draft resolution in order to achieve unanimity. He would only recall that Item 10 of the Gouncil's agenda (Measures to increase Availability of Food), had been placed on the agenda of the General Assembly at the request of Poland, specific reference having then been made to the problems of food spoilage and wastage.

The first paragraph of the United States draft resolution: "The Economic and Social Council takes note of the report submitted by the Food and Agriculture Organization on the measures to increase availability of food" was unanimously adopted.

The CHAIRMAN ruled that Item 10 would remain on the Committee's agenda in order to provide an opportunity for further discussion of the Indian proposal at a later stage in the Committee's proceedings. That opportunity would arise when the annual report of the Food and Agriculture Organization came before the Committee, sometime after 15 July.

Mr. McDOUGALL (Food and Agriculture Organization) wished to remind the Committee that it was difficult for a specialized agency to give a full account of all its activities in every report it submitted to the Economic and Social Council. The work of the Food and Agriculture Organization had been fully described in the reports published over a period of three years and he had been somewhat surprised at the suggestion

that the Organization did not concern itself with assisting small farmers to increase production. The reports stressed the fact that it was the Organization's primary objective to increase the world's food supplies and the Director-General of the Organization was using all the funds available in the budget to assist under-developed countries by promoting such improvements as the use of fertilizers, better seeds, and agricultural machinery. In co-operation with the World Health Organization, the Food and Agriculture Organization was engaged on a far-reaching programme for combating malaria and stimulating food production in under-developed countries. Further, the attention of the Organization was also focussed on the problem of food spoilage and wastage, to which reference was made in the second paragraph of the United States draft resolution.

Finally, he would draw attention to the fact that a paragraph had been inadvertently omitted from Document E/AC.6/35 (Measures to increase availability of food; Statement by the representative of the Food and Agriculture Organization); it would be distributed to representatives at the next meeting.

2. REPORT OF THE INTERNATIONAL TELECOMMUNICATION UNION (Item 40 of the Council Agenda) (Document E/1319)

The CHAIRMAN stated that, since the representative of the International Telecommunication Union was unable to be present at the meeting, discussion of Item 40 would be deferred.

3. REPORT OF THE INTERNATIONAL CIVIL AVIATION ORGANIZATION (Item 39 of the Council Agenda) (Documents E/1338, E/1338/Add.1)

Mr. MARLIN (International Civil Aviation Organization) said that the Report of the International Civil Aviation Organization (Document E/1338) was the same report as that submitted by the Council of the Organization to its Assembly. That method of presentation had been adopted for reasons of economy, but if the Economic and Social Council so desired, the Organization's Report could be submitted in a form directly intended for the Council. Mr. STINEBOWER (United States of America) said that the Report on the Organization's work was not perhaps sufficiently informative for members of the Economic and Social Council, who were not as familiar with the problems confronting the Organization and the methods used by it, as were the members of its own Council and Assembly.

Mr. HAKIM (Lebanon) pointed out that the Report, which was numbered E/1338/Add.1, was entitled "fupplementary Report of the Council to the Assembly on the Activities of the Organization" and covered the period 1 March - 31 May 1949. He wondered why the original report was not now before the Committee.

Mr. MARLIN (International Civil Aviation Organization) stated that the Report (Document E/1338) had been distributed earlier and he could not but regret that representatives had not received it.

Nr. CORLEY SMITH (United Kingdom) made a formal protest with regard to the method of distributing documents. It was indeed true that six copies of that document had been distributed to each delegation at Lake Success, but that was a wholly inadequate number. Such wast quantities of paper were used by the United Nations, that greater generosity might surely be displayed in equipping representatives with the documents needed for so important a meeting as that of the Economic and Social Council.

The GHAIRMAN ruled that the comments of the United Kingdom representative be included in the summary record, and asked representatives to transmit to the Secretariat any complaints they wished to make.

Mr. STINEBOWER (United States of America) felt that the Economic and Social Council should take advantage of the offer by the representative of the International Civil Aviation Organisation to submit

future reports in such a form as would enable the Council to form a sorrect impression of the Organisation's work. It was only once a year that the Economic and Bostal Council had an opportunity of acquainting itself with the world situation in air transport; yet, in the form in which it was now submitted, the report demanded great familiarity with the structure of the Organization for its proper comprehension, and did not lay sufficient emphasis either on the spectacular aspects of the work; such as for instance, rescue at sea, where the co-operation of several specialized agencies came into play, or on the inter-relationship between the International Civil Aviation Organization, the International Telecommunications Union and other specialized agencies.

He did not intend to formulate his request as a formal resolution, as the records of the meeting would suffice to draw attention to the matter, nor did he wish his comments to be in any way interpreted as a criticism of the report itself submitted by the International Civil Aviation Organization.

The CHAINMAN proposed that the Committee follow the usual precedent and adopt the standard resolution, taking note of the report submitted by the International Civil Aviation Organisation.

Mr. ADARKAR (India) supported the Chairman, adding that the Economic Committee was perhaps not the most appropriate body to discuss questions of co-ordination and of the relationship between the International Civil Aviation Organization and the United Nations.

Mr. FLIMSOLL (Australia) said that the International Civil Aviation Organization should not be left with the impression that the Economic and Social Council desired to receive a complete and special report, the compilation of which would entail great expenditure and a considerable increase in the Organization's staff. Mr. MARLIN (International Civil Aviation Organization) drew attention to the fact that the first chapters of both the original and the supplementary report (Documants E/1338 and E/1338/Add.1) dealt with relations between the International Civil Aviation Organization, the United Nations and the specialized agencies. He believed that all the relevant information was contained therein, but was prepared to give more details should the Committee so desire.

Mr. STINEBOWER (United States of America) appreciated the point made by the representative of Australia but emphasized, with regard to the question of co-ordination between the United Nations and the specialized agencies, that that problem was treated in the International Civil Aviation Organization's report in a somewhat piecemea fashion. Moreover, he would advocate that future reports give a consecutive account of the practical work done by the Organization so that representatives might have before them a clear picture of the world air navigation situation.

The CHAIRMAN moved the adoption of the following resolution:

"THE ECONOMIC AND SOCIAL COUNCIL TAKES NOTE of the report submitted by the International Civil Aviation Organization; and REQUESTS the Secretary-General to transmit to the International Civil Aviation Organization the records of the discussions which took place at the ninth session of the Council on the report."

The resolution proposed by the Chairman was adopted by 14 votes to O with 2 abstentions.

At the request of the representative of the USSR, the CHAIRMAN ruled that the abstentions of the USSR and the Byelorussian SSR representatives be mentioned in the summary record.

The meeting rose at 12.30 p.m.